

Robyn A. Crittenden
State Revenue Commissioner



Frank M. O'Connell
Deputy State Revenue Commissioner

Georgia Department of Revenue
1800 Century Boulevard, NE | Atlanta, Georgia 30345

NOTICE IT-2022-1

RE: Proposal to amend Rule 560-7-8-.20 Rural Physician Credit.

TO ALL INTERESTED PERSONS AND PARTIES:

In compliance with O.C.G.A. § 50-13-4, the Georgia Department of Revenue gives notice that it proposes to amend Rule 560-7-8-.20.

Attached to this notice are an exact copy and synopsis of the proposed Rule. The proposed Rule is being amended under the authority of O.C.G.A. §§ 48-2-12 and 48-7-29.

The Department of Revenue will consider the Amendment to of the above Rule at a regulation hearing held at 1800 Century Boulevard, NE, Atlanta, GA 30345, Room L300, on June 10, 2022, at 10:00 a.m. All attendees will be required to sign in upon arrival.

The Department must receive all comments regarding the above-referenced Rule from interested persons and parties no later than 10:00 a.m. on June 10, 2022. Electronic comments must be sent to regcomments@dor.ga.gov. Facsimile comments must be sent to (770) 342-3157. **Please reference "Notice Number IT-2022-1" on all comments.**

Dated: 04/29/2022


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State Revenue Commissioner

SYNOPSIS

GEORGIA DEPARTMENT OF REVENUE INCOME TAX DIVISION

CHAPTER 560-7-8 RETURNS AND COLLECTIONS

560-7-8-.20

The purpose of the proposed amendment to Rule 560-7-8-.20 is to provide for the use of the most recent United States Census when determining which counties qualify as "Rural Counties" for the Rural Physicians income tax credit under Georgia Code Section 48-7-29. Specific changes are denoted in the attached Rule.

**RULES
OF
DEPARTMENT OF REVENUE
INCOME TAX DIVISION**

**CHAPTER 560-7-8
RETURNS AND
COLLECTIONS**

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560-7-8-.20 Rural Physician Credit.

560-7-8-.20 Rural Physician Credit.

(1) **Purpose.** This regulation provides guidance concerning the implementation and administration of the rural physician credit under O.C.G.A. § 48-7-29.

(2) **Definitions.** As used in this regulation:

(a) **Rural County.** The term "Rural county" means a county in this state that has 65 persons per square mile or fewer according to the United States decennial census of 1990 or any future such census. For taxable years beginning before January 1, 2002, the United States decennial census of 1990 shall be used. For taxable years beginning on or after January 1, 2002 and before January 1, 2012, the United States decennial census of 2000 shall be used. For taxable years beginning on or after January 1, 2012 and before January 1, 2022, the United States decennial census of 2010 shall be used. For taxable years beginning on or after January 1, 2022, the United States decennial census of 2020 shall be used; provided,

34 however, a taxpayer that began practicing in a rural county in the
35 taxable year beginning on or after January 1, 2022 and before Jan-
36 uary 1, 2023, shall also be eligible for the credit using the United
37 States decennial census of 2010 provided they would have quali-
38 fied for the credit using such census.
39

40 (b) **Rural Physician.** The term "rural physician" means a phy-
41 sician licensed to practice medicine in this state, who practices in a
42 rural county and resides in a rural county or a county contiguous to
43 the rural county in which such physician practices and primarily
44 admits patients to a rural hospital and practices in the fields of fam-
45 ily practice, obstetrics and gynecology, pediatrics, internal medi-
46 cine, or general surgery. A physician may practice and reside in
47 different rural counties.
48

49 (c) **Rural Hospital.** The term "rural hospital" means an acute-
50 care hospital located in a rural county that contains fewer than 100
51 beds.
52

53 (d) **Resides.** The term "resides" means the taxpayer's principal
54 domicile and not a secondary residence of the taxpayer.
55

56 (e) **Practices.** The term "practices" means work performed in a
57 field listed in subparagraph (2)(b) of this regulation in a rural coun-
58 ty for an average of at least 40 hours per week for the period the
59 physician resides in a rural county or a county contiguous to the
60 rural county in which such physician practices.
61

62 (3) **Amount of the Credit.**
63

64 (a) A person qualifying as a rural physician shall be allowed a
65 credit against the tax imposed by Code Section 48-7-20 in an
66 amount not to exceed \$5,000.00. The tax credit may be claimed

67 for not more than five years, provided that the physician continues
68 to qualify as a rural physician. The five-year period is a continu-
69 ous period, which starts in the first year the rural physician quali-
70 fies for the credit.

71
72 (b) For taxable years beginning on or after January 1, 2022, a
73 physician who was practicing in a rural county and residing in a
74 rural county or a county contiguous to the rural county in which
75 such physician practices, as determined under the decennial census
76 of 2010, in a taxable year beginning before January 1, 2022, will
77 be considered to continue to qualify even if the rural county, or
78 either rural county if they were practicing and residing in different
79 rural counties, is not included in the decennial census of 2020,
80 provided they otherwise qualify.

81
82 (b)(c) For taxable years beginning on or after January 1, 2012
83 and before January 1, 2022, a physician who was practicing in a
84 rural county and residing in a rural county or a county contiguous
85 to the rural county in which such physician practices, as deter-
86 mined under the decennial census of 2000, in a taxable year begin-
87 ning before January 1, 2012, will be considered to continue to
88 qualify even if the rural county, or either rural county if they were
89 practicing and residing in different rural counties, is not included
90 in the decennial census of 2010, provided they otherwise qualify.

91
92 (d) A physician who, on December 31, 2021, is currently prac-
93 ticing and/or residing in a county which was not considered a rural
94 county according to the decennial census of 2010 but is now con-
95 sidered a rural county according to the decennial census of 2020,
96 shall not be considered to be practicing and/or residing in a rural
97 county.

98
99 (e)(e) A physician who, on December 31, 2011, is currently

100 practicing ~~and or~~ and/or residing in a county which was not con-
101 sidered a rural county according to the decennial census of 2000
102 but is now considered a rural county according to the decennial
103 census of 2010, shall not be considered to be practicing ~~and or~~
104 and/or residing in a rural county.

105
106 ~~(d)~~(f) A physician who would have first qualified, based on the
107 decennial census of 2000, from January 1, 2012 until the effective
108 date of this regulation will be considered to continue to qualify
109 provided such physician meets the requirements based on the de-
110 cennial census of 2000.

111
112 ~~(e)~~(g) In the case where a physician qualifies for the rural phy-
113 sician credit but later the rural hospital increases its number of
114 beds so that the hospital is not considered a rural hospital as pro-
115 vided by subparagraph (2)(c) of this regulation, the physician will
116 be considered to continue to qualify provided they otherwise quali-
117 fy.

118
119 ~~(f)~~(h) No physician who, on July 1, 1995, is currently practicing
120 in a rural county shall be eligible to receive the credit provided for
121 in paragraph (3) of this regulation. No credit shall be allowed for a
122 physician who has previously practiced in a rural county unless,
123 after July 1, 1995, that physician returns to practice in a rural coun-
124 ty after having practiced in a nonrural county for at least three
125 years.

126
127 ~~(g)~~(i) A physician who qualifies for the credit for part of the
128 year is not required to prorate the credit computed under paragraph
129 (3) of this regulation.

130
131 ~~(h)~~(j) In no event shall the amount of the tax credit exceed the
132 taxpayer's income tax liability, and any unused tax credit shall not

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133 be allowed to be carried forward to apply to the taxpayer's suc-
134 ceeding years' tax liability. No such tax credit shall be allowed the
135 taxpayer against prior years' tax liability.

136

137 Authority O.C.G.A. §§ 48-2-12 and 48-7-29.

Proposed